

## Message Text

PAGE 01 STATE 164996  
ORIGIN NEA-11

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TO AMEMBASSY NEW DELHI PRIORITY  
INFO AMCONSUL BOMBAY PRIORITY  
AMCONSUL CALCUTTA PRIORITY  
AMCONSUL MADRAS PRIORITY  
AMEMBASSY ISLAMABAD PRIORITY

S E C R E T STATE 164996

STADIS//////////

E.O. 11652: XGDS-1

TAGS: OVIP (DESAI, MORARJI)

SUBJECT: OVERVIEW OF DESAI VISIT

REF: A) NEW DELHI 9766, B) STATE 160172

1. WE CAN WELL UNDERSTAND THAT YOU MAY FEEL LEFT OUT OF THE  
PICTURE IN NOT HAVING OBTAINED A WRAP-UP OF THE DESAI VISIT.  
WE HAVE PROVIDED ALL COPIES OF BACKGROUND, WORKING AND  
FOLLOW-UP PAPERS ASSOCIATED WITH IT BUT, AS YOU WILL RECALL  
FROM THE PRESIDENT'S OWN VISIT TO NEW DELHI (WHEN THE DEPART-  
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MENT WAS EQUALLY IN THE DARK) WE ARE DEPENDENT ON THE  
OFFICIAL MINUTES OF THE CARTER-DESAI TALKS IN ORDER TO PRO-  
VIDE YOU WITH A DETAILED ACCOUNT. THE FINAL VERSION OF  
THESE MINUTES WAS RECEIVED IN THE DEPARTMENT ONLY ON JUNE  
26.

2. WE BELIEVE THAT PRESS ACCOUNTS HAVE PROVIDED A FAITHFUL  
REFLECTION OF THE PUBLIC ATMOSPHERICS OF THE PM'S VISIT AND  
AS FULL AN ACCOUNT OF DESAI'S PUBLIC ACTIVITIES AND STATE-  
MENTS IN THE U.S. AS WE HAVE. THE ATMOSPHERE SURROUNDING  
THE OFFICIAL TALKS BETWEEN THE PRESIDENT AND THE PRIME

MINISTER IS ALSO ACCURATELY DEPICTED IN ASRANI'S REMARKS TO YOU. FINALLY, THE JOINT COMMUNIQUE SUMMARIZES THE SUBSTANCE OF THE DISCUSSIONS ON ECONOMIC AND BILATERAL TRADE ISSUES

EXCEPT FOR THE TEXTILE PROBLEM WHICH DESAI RAISED AND WHICH WE AGREED TO LOOK INTO. SEPTEL ON DESAI-KREPS MEETING (REF B) COMPLETES THE ECONOMIC AND TRADE PICTURE WHICH, ACCORDINGLY, WE WILL NOT REVIEW HERE.

3. AFGHANISTAN-PAKISTAN. ASRANI IS CORRECT IN STATING THAT WE EXPRESSED OUR CONCERN OVER THE IMPACT OF THE CHANGE IN GOVERNMENT IN KABUL. DISCUSSIONS ON THIS ISSUE AND ITS RAMIFICATIONS WERE WIDE-RANGING AND DETAILED. THERE WAS GENERAL AGREEMENT ON HOW THE COUP OCCURRED AND WHAT OUR POLICIES SHOULD BE. THE INDIANS STRESSED THE NEED TO AVOID ANY ACTION FORCING THE AFGHANS INTO THE ARMS OF THE SOVIETS BUT ALSO EXPRESSED CONFIDENCE THAT THE STRONG INFLUENCE OF TRADITIONAL NATIONALISM AND RELIGION WOULD DEFINITELY LIMIT SOVIET OPPORTUNITIES IN AFGHANISTAN. THEY ANTICIPATE CONTINUED GOOD RELATIONS WITH THE GOA BUT WERE VERY CONCERNED WITH THE PAKISTANI REACTION TO THE AFGHAN COUP AND PREDICTED DIFFICULT TIMES FOR THE GOP UNLESS IT "SETTLES DOWN AND  
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SHEDS ITS IMAGINARY FEARS." (IN THIS RESPECT DESAI SEVERAL TIMES BLAMED PUNJABI DOMINATION FOR MOST OF THE COUNTRY'S ILLS.)

4. AS THE INDIANS SEE THE PAK-AFGHAN PROBLEM, THE ISSUE IS BASICALLY A POLITICAL ONE AND MUST BE DEALT WITH IN POLITICAL TERMS, I.E. WORKING FOR STABILITY IN THE FRONTIER REGION RATHER THAN THE ACQUISITION OF NEW ARMS. INSTEAD OF A MEASURED RESPONSE, HOWEVER, THE INDIANS SEE PANIC AND A PERVERSIVE ANTI-INDIAN ATTITUDE WHICH LIMITS INDIA'S ABILITY TO WORK EFFECTIVELY WITH ISLAMABAD AT THE PRESENT TIME. INDIA'S INTERESTS, DESAI EMPHASIZED, LIE IN A STRONG AND UNITED PAKISTAN BUT NEW DELHI SEES LITTLE IT CAN DO TO BOLSTER PAK SELF-CONFIDENCE WITHOUT GENERATING FURTHER MISUNDERSTANDING. THE INDIANS EXPRESSED DEEP RESENTMENT OF CONTINUED PAKISTANI REFERENCES TO A MOSCOW-DELHI-KABUL AXIS AND DISMISSED AS ATTEMPTS AT BLACKMAIL PAKISTANI THREATS TO WITHDRAW FROM CENTO. THERE IS CLEARLY LITTLE CONFIDENCE IN THE ZIA GOVERNMENT BUT WHILE UNHAPPY WITH THE SLOWDOWN IN BILATERAL NORMALIZATION THE INDIANS ARE ALERT TO ITS POTENTIAL BENEFITS, URGING US TO POINT OUT THE ADVANTAGES OF CLOSER ECONOMIC COOPERATION TO THE GOP. DESAI DISPLAYED A RELATIVELY RELAXED ATTITUDE TOWARD U.S.-PAK RELATIONS AND DID NOT TAKE ISSUE WITH OUR STRONGLY EXPRESSED DESIRE TO DEVISE MEANS OF REASSURING THE PAKS, INCLUDING OUR REFERENCES TO POSSIBLE ARMS TRANSFERS TO PAKISTAN. WE NOTED THE FORTHCOMING NEWSOM VISIT TO THE REGION AND OUR INTENTION TO BE IN CLOSE TOUCH WITH THE INDIANS ON OUR EFFORTS TO SEEK

GREATER NORMALIZATION OF OUR RELATIONS WITH ISLAMABAD.

; ON THE NUCLEAR SIDE, AS ASRANI SUGGESTS, THERE WERE DETAILED DISCUSSIONS AT THE TECHNICAL LEVEL IN NEW YORK AND WASHINGTON. WE BELIEVE WE MADE GOOD PROGRESS, PARTICULARLY WITH SHANKAR AND MEHTA, IN CLEARING AWAY FRINGE ISSUES - E.G. ARE SAFEGUARDS OTHER THAN IAEA SAFEGUARDS NECESSARY? WE EXPECT TO CONTINUE OUR TALKS WITH THEM ON  
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THESE AND VARIOUS OTHER ASPECTS OF THE SAFEGUARDS ISSUE OVER THE COMING MONTHS AND, OF COURSE, WILL BE CONSULTING CLOSELY WITH YOU ON THE CONTENT AND DIRECTION OF THESE TALKS. AN IMPORTANT ASPECT OF THE VISIT WAS A MAJOR EFFORT BY DESAI TO EXPLAIN THE INDIAN NUCLEAR PERSPECTIVE TO KEY CONGRESSIONAL OPINION. IN HIS THREE MEETINGS WITH SENATORS AND CONGRESSMEN, A NUMBER OF THEM ASSOCIATED WITH THE NUCLEAR ISSUE, DESAI STRESSED INDIAN REJECTION OF THE NUCLEAR WEAPONS OPTION AND PNE TESTING AND APPEARS TO HAVE MADE A SIGNIFICANT IMPACT IN GAINING ADDED CREDIBILITY FOR INDIA'S NUCLEAR INTENTIONS. WE ASSURED DESAI THAT THE U.S. WOULD CONTINUE NUCLEAR FUEL SHIPMENTS DURING THE INTERIM PERIOD WHICH OUR LEGISLATION PERMITS BUT THAT THERE WOULD BE NO SHIPMENTS THEREAFTER IF INDIA HAD NOT ADOPTED FULL SCOPE SAFEGUARDS.

WE ARE REASONABLY HOPEFUL THAT CONGRESS WILL CONCUR IN THIS APPROACH. AS ASRANI STATED, THE INDIANS ARE ALSO CLEARLY OPTIMISTIC ON THIS POINT.

6. DESAI REITERATED HIS INSISTENCE ON THE U.S. HONORING ITS CONTRACTUAL COMMITMENT UNDER THE 1963 COOPERATION AGREEMENT AND GAVE NO INDICATION OF SHIFTING HIS BASIC POSITION ON SAFEGUARDS BUT WE HAD NOT EXPECTED HIM TO DO SO. PERHAPS THE MOST CONCRETE RESULT OF THE NUCLEAR PORTION OF THE DISCUSSIONS, AND PERHAPS OF THE VISIT AS A WHOLE, WAS TO DEFUSE THE TARAPUR SUPPLY ISSUE, REMOVING THE CONFRONTATIONAL DIMENSION WHICH THREATENED TO OVERWHELM ANY POSSIBILITIES FOR CONTINUED DIALOGUE. BOTH SIDES APPEAR TO FEEL THAT THERE IS NOW AN OPPORTUNITY TO EXPLORE FRESH APPROACHES TO THE SAFEGUARDS ISSUE, HOPEFULLY TO BEGIN THIS SUMMER. INALLY, FOLLOWING DETAILED REVIEW OF PROGRESS ON CTB AND SALT II NEGOTIATIONS IN WHICH DESAI EXPRESSED HIS SATIS-  
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FACTION WITH THE PROSPECTS FOR A CTB AGREEMENT, THE INDIANS ALSO INDICATED INFORMALLY THAT INDIA WILL ADHERE TO A NON-DISCRIMINATORY TREATY, A DEVELOPMENT WHICH WOULD HAVE A STRONGLY POSITIVE EFFECT ON CONGRESSIONAL ATTITUDES TOWARDS INDIA.

7. ON OTHER ISSUES, DESAI TOUCHED ONLY BRIEFLY ON INDO-SOVIET RELATIONS BUT EXCHANGED FULLER VIEWS ON BILATERAL RELATIONS WITH THE PRC. DESAI REVIEWED AT LENGTH EVENTS BEFORE AND AFTER THE 1962 WAR AND REITERATED THE GOI

POSITION THAT THE BORDER ISSUE WOULD HAVE TO BE RESOLVED BEFORE A FULL NORMALIZATION OF SINO-INDIAN RELATIONS COULD OCCUR. ON AFRICA, DESAI REPORTED ON HIS CONVERSATIONS WITH THE BELGIANS AND BRITISH. THE INDIANS EXPRESSED CONCERN ABOUT THE CUBAN ROLE IN AFRICA AND SPECIAL APPREHENSIONS ABOUT THEIR INVOLVEMENT IN ETHIOPIA. WE STRESSED THE POSITIVE CONTRIBUTION INDIA COULD MAKE IN EXERTING ITS INFLUENCE WITH BOTH THE AFRICAN FRONT LINE STATES AND WITH THE SOVIETS AND CUBANS TO ASSURE A PEACEFUL RESOLUTION OF THE RHODESIA AND NAMIBIA ISSUES. WE ALSO REVIEWED CUBAN ACTIVITIES IN ZAIRE AND ANGOLA AND OUR DESIRE TO SEE STABILITY AND MAJORITY RULE WHILE KEEPING OUTSIDE FORCES OUT OF AFRICA. THE INDIANS DID NOT GO BEYOND THEIR PUBLIC POSITION IN CONDEMNING THE PRESENCE OF THE GREAT POWERS IN NON-ALIGNED COUNTRIES BUT WERE VIGOROUS IN ASSERTING THAT INDIA WOULD NOT ALLOW THE CUBANS TO IMPOSE THEIR VIEWS ON THE NAM. INDIA, DESAI EMPHASIZED, HAS REJECTED EFFORTS BY THE CUBANS TO ALIGN THE NAM WITH THE COMMUNIST COUNTRIES AND, MORE BROADLY, TO RADICALIZE THE NAM.

8. FOLLOW-UP ON THE PRESIDENT'S VISIT TO INDIA. IN ADDITION TO THE BUSINESS AND TRADE QUESTIONS CITED EARLIER, WE ALSO NOTED OUR ACTION TO EASE UP ON VISA REGULATIONS IN RESPONSE TO THE INDIAN REQUEST ON THIS POINT. ELSEWHERE, AS ASRANI STATED, DESAI CONCEDED THAT THE PEACE  
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CORPS WAS TOO CONTROVERSIAL TO BE ABLE TO RETURN TO INDIA BUT THIS WAS BALANCED BY HIS APPEAL FOR A RENEWED FLOW OF SCHOLARS AND GREATER PRIVATE EXCHANGES BETWEEN THE TWO COUNTRIES, AND THE RENEWAL OF PROGRAMS DISRUPTED BY MRS. GANDHI, REFERRING TO THE EXPERIMENT IN INTERNATIONAL LIVING. PROGRESS WITHIN THE JOINT COMMISSION WAS ALSO REVIEWED AS WAS THE STATUS OF INDO-NEPALESE JOINT WATER PROJECTS. HOWEVER, SUCH AREAS AS BILATERAL AID AND INDIAN ARMS PURCHASES DID NOT ARISE NOR WERE BROAD MULTILATERAL ECONOMIC QUESTIONS. DESAI STATED IN HIS NATIONAL PRESS CLUB APPEARANCE THAT THE QUESTION OF RHESUS MONKEY EXPORTS WAS RAISED BUT THAT HE HAD NOT CHANGED HIS VIEW THAT SUCH EXPORTS SHOULD NOT BE RESUMED.

9. IT IS CLEAR FROM THIS REVIEW THAT THERE WERE NO SURPRISES IN OUR TALKS WITH DESAI AND THAT THERE EXISTED BROADLY PARALLEL VIEWS, WITH DIFFERENCES BEING OF EMPHASIS RATHER THAN SUBSTANCE. WE BELIEVE THAT DESAI MADE A POSITIVE IMPACT ON U.S. PUBLIC AND CONGRESSIONAL OPINION,

AND WE HOPE ON HIS OWN DOMESTIC AUDIENCE, AND THAT THE VISIT WAS A SIGNIFICANT STEP FORWARD IN THE CONSOLIDATION OF A CORDIAL AND STABLE RELATIONSHIP. ITS MOST IMMEDIATE RESULT, AS OBSERVED ABOVE, IS THE IMPROVED ATMOSPHERE FOR

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APPROVED BY:NEA/INS:JRGRAHAME  
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FM SECSTATE WASHDC  
TO AMEMBASSY KATHMANDU  
AMEMBASSY COLOMBO

S E C R E T STATE 164996

STADIS//////////

FOLLOWING REPEAT STATE 164996 ACTION NONE INFO DACCA AND KABUL DATED JUNE 29, 1978.

QUOTE: S E C R E T STATE 164996

STADIS//

FOLLOWING REPEAT STATE 164996 ACTION NEW DELHI INFO BOMBAY CALCUTTA MADRAS ISLAMABAD JUNE 28.

QUOTE E C R E T STATE 164996

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2. WE BELIEVE THAT PRESS ACCOUNTS HAVE PROVIDED A FAITHFUL REFLECTION OF THE PUBLIC ATMOSPHERICS OF THE PM'S VISIT AND AS FULL AN ACCOUNT OF DESAI'S PUBLIC ACTIVITIES AND STATEMENTS IN THE U.S. AS WE HAVE. THE ATMOSPHERE SURROUNDING THE OFFICIAL TALKS BETWEEN THE PRESIDENT AND THE PRIME MINISTER IS ALSO ACCURATELY DEPICTED IN ASRANI'S REMARKS TO YOU. FINALLY, THE JOINT COMMUNIQUE SUMMARIZES THE SUBSTANCE OF THE DISCUSSIONS ON ECONOMIC AND BILATERAL TRADE ISSUES

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**TAGS:** OVIP, (DESAI, MORARJI)  
**To:** NEW DELHI INFO BOMBAY MULTIPLE  
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